

**BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554**

In the Matter of)	
)	
Structure and Practices of the Video Relay)	CG Docket No. 10-51
Service Program)	
)	
Telecommunications Relay Services and)	CG Docket No. 03-123
Speech-to-Speech Services for Individuals with)	
Hearing and Speech Disabilities)	

**REPLY COMMENTS OF
USTELECOM – THE BROADBAND ASSOCIATION**

USTelecom – the Broadband Association (USTelecom)¹ submits these reply comments in response to the Federal Communications Commission’s (Commission) above-referenced Public Notice (Notice).² In its Notice, the Commission seeks comment on the proposed carrier contribution factor and funding requirement for the Interstate Telecommunications Relay Service (TRS) Fund submitted by Rolka Loube Saltzer Associates (“RLSA” or “Administrator”), as well as the proposed compensation rates, for the period of July 1, 2018, through June 30, 2019.

USTelecom and its members have a long history of supporting communications access for people with disabilities that reaches back to the very foundations of our industry. In addition to participating in the establishment and deployment of TRS, many of our members provide specialized offerings to members of the disability community. These include free directory

¹ USTelecom is the premier trade association representing service providers and suppliers for the telecommunications industry. USTelecom members provide a full array of services, including broadband, voice, data and video over wireline and wireless networks.

² See, Public Notice, *Rolka Loube Associates LLC Submits Payment Formulas and Funding Requirement for the Interstate Telecommunications Relay Services Fund for the 2018-19 Fund Year*, DA 18-494 (May 14, 2018) (Notice).

assistance, operator assistance, or accessibility plans designed to meet the needs of people with disabilities.³

Internet Protocol Captioned Telephone Service (IP CTS) now represents almost 80 percent of the total minutes compensated by the TRS Fund – at a cost of nearly one billion dollars.⁴ Indeed, over the last several years, USTelecom has repeatedly expressed concerns over the unsustainable increases in the TRS fund size and contribution factor.⁵ Over the last six years, the TRS fund has nearly doubled from \$711 million in the 2012 – 2013 funding year, to the \$1.6 billion proposed today.⁶

Further exacerbating the problem is that as the TRS fund size has substantially increased, the contribution base has significantly *decreased*: from \$67.2 billion in the 2012 – 2013 funding year, to \$53.5 billion today. Consecutive increases in both the fund size and contribution factor – combined with the declining rate base – significantly impact the integrity of the program and are increasingly burdening a shrinking pool of consumers.

The proposed increase outlined in this year’s Notice is no different from years past in that the Commission proposes an alarming increase of nearly 33% in the TRS contribution factor,

³ See, Testimony of Walter B. McCormick, Jr., President and CEO, United States Telecom Association before the House Committee on Energy and Commerce Subcommittee on Communications, Technology and the Internet, *The Twenty-First Century Communications and Video Accessibility Act of 2009*, June 10, 2010.

⁴ Rolka Loube Associates LLC, Interstate Telecommunications Relay Services Fund Payment Formula and Fund Size Estimate, CG Docket No. 03-123, CG Docket No. 10-51, p. 20, Exhibit 2 (submitted May 4, 2018).

⁵ See e.g., Comments of the United States Telecom Association, CG Docket No. 03-123, CG Docket No. 10-51 (submitted May 31, 2013); Comments of the United States Telecom Association, CG Docket No. 03-123, CG Docket No. 10-51 (submitted May 24, 2016); Comments of the United States Telecom Association, CG Docket No. 03-123, CG Docket No. 10-51 (submitted May 4, 2017).

⁶ Notice, p. 3.

from its current level of 0.02289 to 0.03034 for the 2018 – 2019 fund year.⁷ In terms of total funding for TRS, the Commission has proposed an increase to approximately \$1.6 billion⁸ for the funding year, from its current level of \$1.3 billion⁹ – a similarly dramatic 23% increase from just last year.

The substantial increase in the TRS fund and contribution factor raises questions about the long-term programmatic, legal, and financial integrity of the TRS program if such tremendous growth remains unchecked. USTelecom fully supports the TRS Fund’s financial integrity and encourages the Commission to scrutinize costs and remain a vigilant steward; however, the Commission must be cognizant of the fact that adopting the proposed projection will impose significant and potentially unnecessary costs on consumers.

Further compounding the issue, both the Commission’s order announcing the rate increase and its effective date will likely occur on or around the same date (*i.e.*, approximately July 1). In addition to providing limited time for a complete assessment and analysis of the significant increase in the contribution factor, carriers will essentially be forced to either substantially increase their customers’ fees, or absorb the cost of the increase.

Given today’s highly competitive voice marketplace,¹⁰ carriers who are unable to raise rates to cover the increase in the contribution factor will have less revenue to reinvest in their

⁷ *Id.*

⁸ *Notice*, p. 3

⁹ *See*, Order, Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities, 32 FCC Rcd 5142, DA 17-642, ¶ 19 (2017).

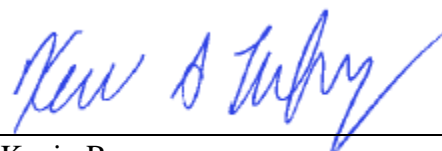
¹⁰ *See e.g.*, Patrick Brogan, USTelecom, *USTelecom Industry Metrics and Trends 2018* (March 1, 2018) at pp. 4, 5, 6, and 19 (available at https://www.ustelecom.org/sites/default/files/USTelecom_Industry_Metric%20_and_Trends_2018.pdf) (visited June 6, 2018). *See also*, Frost & Sullivan, *North America Consumer Communication Services Tracker: Fourth Quarter 2017 (4Q17)* (March 2018) (subscription service). From the end of 2000 to the end of 2016 ILEC retail and wholesale switched access

networks and in the innovative services their customers need. The Commission should therefore carefully scrutinize the justifications for the proposed increase in the contribution factor and determine whether such a burdensome increase is absolutely necessary.

The Commission must be cognizant of the fact that, absent the adoption of a more reasonable projection, consumers will bear significant and unnecessary costs. The Commission should therefore carefully scrutinize the justifications for the proposed increase in the contribution factor and determine whether such a burdensome increase is absolutely necessary.

Respectfully submitted,

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lines fell by 137 million, or 74 percent, from 186 million to 49 million. As of the end of 2016, ILECs had added approximately 39 million broadband connections, 13 million VoIP lines, and 12 million video subscribers. Thus, the combined number of broadband, voice, and video connections that ILECs have gained amount to less than half of the switched voice connections lost since 2000. At the same time, as of 2016, alternatives to wireline ILECs served significantly larger portions of subscribers in the markets for broadband (63 million cable, 3 million satellite and fixed wireless) and video (54 million cable, 35 million satellite). By the end of 2016, mobile wireless voice connections had grown to 341 million and mobile broadband connections had reached 270 million.